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Market Orientation: Do Schools Care?

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**ABSTRACT**

The primary objective of the paper is to validate the concept of market orientation adapted from related literature and apply it into the academic institution. It also examines the effects of market orientation as a 2nd order factor on student satisfaction in an academic setting. The revised scale validated through both EFA and CFA has a good fit. And the empirical results show that the degree to which students are satisfied with their choice of the school depends significantly on how market oriented the school is.

Through a structured process of scale refinement and validation, the revised MO model improves substantially as opposed to the full model adapted from Matsuko et al. (2000). It produces better fit and the difference of chi square values between two models is statistically significant ($\Delta \chi^2 (74) = 262.091$), proving the revised scale is superior to the original one, therefore better representing MO construct in the universities. This study succeeds in applying market orientation construct in a special service domain where all intelligence related activities are incorporated to address different aspects of market orientation in the academic environment. Content validity has a better representation of the meaning of items specifically designed to accommodate the nature of the relationship between students and the school.

This proposed scale consists of three distinct 1st order subscales as components of the broad 2nd order market orientation construct. Empirical results indicate three 1st order subscales covary with the 2nd order factor and the covariance is represented by statistically significant path coefficients. This higher order model produces acceptable fit indices. With regard to the structural model, the new scale is statistically and positively related with student satisfaction measure, indicating the fact that market orientation is an important factor that substantially leads to higher student satisfaction. In other words, if schools know how to apply market orientation strategy effectively, students become more satisfied with the decision they make when selecting a school for their higher education. Through the findings in measurement approach and structural approach, it is suggested that the revised scale can be used appropriately in the academic environment as an antecedent of student satisfaction.
ABOUT THE AUTHORS

Trang Phuc Tran (Ph.D., University of North Texas) is Assistant Professor of Marketing at the State University of New York College at Oneonta. His papers are accepted in several conferences, such as American Marketing Association, Society for Marketing Advances, Academy of Marketing Science, and Association of Marketing Theory and Practice. His name also appeared on Journal of Macromarketing and Journal of Marketing Development and Competitiveness.

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